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Lawsuit Says MagCorp Took Brine Minerals Illegally

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The U.S. government says Magnesium Corp. of America (MagCorp) took minerals from federal lands without permission, depriving the Treasury of at least \$750,000.

In a lawsuit filed Tuesday in U.S. District Court, the government alleges that MagCorp, a Delaware corporation, illegally diverted brine from subsurface aquifers on land administered by the U.S. Bureau of Land Management.

MagCorp Vice President Lee Brown said he could not comment on the charges because his attorneys had not yet reviewed the suit. The lawsuit, however, states Brown denied the company was mining federally owned minerals.

MagCorp, which runs a controversial

processing plant on the west shore of the Great Salt Lake, extracts magnesium and other minerals from salt water.

When rising lake levels compromised the facility in the mid-1980s, the company obtained a right of way across BLM land for a canal and evaporation ponds to divert water from an artificial lake in the West Desert. The artificial lake was created by the state's pumping of the Great Salt Lake to lower record-high lake levels, which were encroaching on shoreside development and industries.

Once concentrated in ponds, known as the Knolls Facility, the brine was pumped to MagCorp's processing plant.

By June 1989, the state's pumps were shut down because the lake had receded.

But in 1996, a BLM employee discovered that MagCorp still was harvesting brine at its evaporation ponds on BLM

land. The BLM says it appears MagCorp has continued pumping brine from the canal on BLM land, and that the brine was coming from shallow ground water owned by the federal government.

"[The] interception of mineral-laden ground water from a canal constitutes a mining operation," said Glenn Carpenter, a BLM field manager. The BLM never issued MagCorp a mineral lease for mining subsurface brine, he said.

Further, the BLM has determined MagCorp paid \$750,000 in royalties from its Knolls operation. They should have gone to the U.S. government.

The suit seeks at least \$2.2 million.

In addition to the lawsuit, the BLM on Tuesday canceled MagCorp's right of way, ordering the company to cease operations on BLM land within five days.

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